

STATEWIDE BENEFITS OFFICE
SPOUSAL COORDINATION OF BENEFITS
FREQUENTLY ASKED QUESTIONS

Last updated: December 2012

The complete Spousal Coordination of Benefits Policy is available at
www.ben.omb.delaware.gov/documents/cob.

1. ***How long has the Spousal Coordination of Benefits Policy been in effect?***
 - A. The Spousal Coordination of Benefits Policy (“the Policy”) was established by the State of Delaware on January 1, 1993, and was revised on July 1, 2011 to include provisions for retired or retiring spouses to enroll in their former employers’ healthcare coverage under certain circumstances. A notification of this change was mailed to all employees and pensioners participating in the State of Delaware Group Health Plan on September 26, 2011.
2. ***What is the purpose of the Policy?***
 - A. The Policy was established to ensure that employers and former employers share in the cost of providing health care coverage for employed spouses of State of Delaware employees.
3. ***Must spouses who are required to enroll in their employer or former employer health care benefits be dropped from coverage under the State of Delaware Plan?***
 - A. No, you may keep your spouse on your State of Delaware coverage.
(See Question #7 if your spouse is enrolling or enrolled in an employer plan that includes a Health Savings Account (HSA).
4. ***What do you mean by primary and secondary coverage?***
 - A. Primary coverage is the benefit plan that will pay first when claims for health care services are submitted. Secondary coverage processes payment, according to its own rules, for claims submitted after the primary coverage pays. For example, if you are an active employee and your spouse is enrolled in employer benefits, those benefits are primary and will pay first; any remaining claim amount will be submitted to your State of Delaware coverage for processing at the secondary level.
5. ***What if my spouse has a deductible on the employer’s plan?***
 - A. Generally, your state of Delaware coverage will pay for claims (at the allowable rate, less any copay) that are not covered while your spouse meets the deductible.
6. ***What happens if my spouse does not enroll in health care coverage offered through his or her employer or former employer when required?***
 - A. Your spouse’s coverage under your State of Delaware plan will be sanctioned and reduced to 20% of the normal coverage. For example, if the plan would normally have paid \$100 for a health care service, only \$20 would be paid for that claim and the employee would be responsible for the remaining \$80. In addition, your spouse would

be required to pay the entire cost when filling any prescription, and could then file a paper claim to the pharmacy benefit manager for reimbursement of 20% of the normal coverage. For example, if the medication cost is \$120 at the pharmacy, the allowable for this prescription is \$80 and the copay is \$20, you would be reimbursed for 20% of the \$60 normally covered, or \$12.00.

7. ***What if my spouse's health care coverage is not very good and is expensive for us?***
 - A. The Policy does not address the level of coverage offered by an employer. As long as your spouse pays 50% or less of the premium for the least expensive, employee-only coverage, he or she must enroll and maintain enrollment in that health care coverage.
8. ***What is the high-deductible plan with a Health Savings Account (HSA) referenced on the Spousal Coordination of Benefits Form?***
 - A. This is a very specific type of benefit that is covered by IRS regulations. Please click on the link in the form or see the information on the Statewide Benefits website at www.ben.omb.delaware.gov/documents/cob for details.
9. ***What is the Spousal Coordination of Benefits Form and when do I need to complete it?***
 - A. The form is used to determine whether your spouse is in compliance with the Spousal Coordination of Benefits Policy. If you cover a spouse on a State of Delaware health care plan, the Spousal Coordination of Benefits Form is **required** (1) when you initially enroll your spouse; (2) every year during Open Enrollment; and (3) within 30 days of when your spouse has a change in employment or healthcare coverage through an employer. If you are an active employee covered under a State of Delaware Group Health Insurance Plan, you must complete the Electronic Spousal Coordination of Benefits Form available at www.ben.omb.delaware.gov/documents/cob. If you are a pensioner, the electronic form is still preferred, but you are permitted to complete a paper form available through the Pension Office.
10. ***If my spouse was not covered on my State health care plan, but loses employment or the employer/former employer no longer offers coverage, do I complete the Spousal Coordination of Benefits Form to add my spouse to my coverage?***
 - A. You are required to complete the form, but the form alone will not add your spouse to coverage. You must contact your agency or department benefits representative to make this enrollment change. Please be sure to include the date your spouse's other coverage ended when you complete the form.
11. ***What if my spouse just started a new job and has a waiting period before qualifying for company health care coverage?***
 - A. When you complete a new Spousal Coordination of Benefits Form, you should indicate in the "Comments" section that there is a waiting period, and you should specify when your spouse's coverage will be effective. (For example: "Spouse began new job on July 1, 2012, and has a waiting period. His health care coverage will begin on October 1, 2012.") The Statewide Benefits Office may require verification of this information from the employer and will contact you to provide this documentation if needed.

12. ***What does the form mean by the % my spouse would pay, and how do I get that information?***

- A. You need to enter the percentage of the premium that your spouse would pay for the least expensive, employee-only (or retiree-only) plan offered by the employer. The company's Human Resources Office should be able to provide you with this information. For example, if the employer pays \$500 per month for the coverage, and your spouse pays \$100 per month, the percentage is 20%. The Statewide Benefits Office may require verification of this information from the employer and will contact you to provide this documentation if needed.

13. ***When would my spouse NOT be required to enroll in employer/former employer healthcare coverage?***

- A. There are several exceptions to the policy that a spouse must enroll in healthcare coverage through the employer/former employer. The spouse is not required to enroll in company coverage:
- If the employer does not offer health care benefits to its employees or retirees.
 - If the spouse would pay more than 50% of the premium for the least expensive employee-only or retiree-only plan.
 - If the spouse does not work full-time and/or is not eligible for pension benefits.
 - If the spouse is self-employed. (Note: This exception does not apply if the spouse is the owner or a partner of a company that offers benefits to employees and pays at least 50% of the premium for most employees, even if the owner or partner pays 100% of the premium.)
 - If the spouse is retired, but is working full-time for another employer, and the spouse has retiree health care coverage through former employer. In this case, the spouse is not required to enroll in the full-time employer coverage, but is required to retain the former employer's coverage.
 - If the spouse works outside the State of Delaware and the company offers only an HMO plan with no State of Delaware providers.

**** Please note:** If the employer offers additional pay in lieu of healthcare coverage, the additional pay counts as a credit toward purchasing health care coverage. The spouse must enroll in the employer coverage if the additional pay is equal to 50% or more of the premium for the least expensive employee-only coverage.

14. ***What happens if my spouse qualifies for an exception as listed above?***

- A. You may be required to provide verification of the situation from your spouse's employer or former employer. If so, you will receive a letter from the Statewide Benefits Office and will need to submit a letter from your spouse's employer on company letterhead verifying the information you have indicated on your form. The letter must also include a contact name and phone number, and must be submitted within 30 days of the date of the letter.

15. ***I am an active state employee, and my spouse is retiring but is under age 65. Must my spouse enroll in the employer's retirement healthcare coverage even though this coverage will pay as secondary while I am an active employee?***
A. Yes, your spouse must enroll if eligible, providing the employer pays at least 50% of the premium for the least-expensive, retiree-only coverage. When you retire, this coverage will become your spouse's primary coverage.
16. ***Does the Spousal Coordination of Benefits Policy also apply to Dental and Vision Coverage?***
A. No. The Policy applies only to health care coverage, because the State of Delaware pays a significant portion of the premium for your health care plan. The State does not contribute toward the premium for dental and vision care.
17. ***What happens if my spouse retired prior to October 1, 2011 and declined medical benefits at the time he/she retired?***
A. If your spouse retired prior to the notification of the change to this Policy sent to employees on September 26, 2011, your spouse needs to contact his/her former employer to determine whether enrollment is possible at the next open enrollment period. If not, he/she should obtain written verification from the former employer he/she is no longer eligible to enroll for retiree healthcare benefits. Retain the written verification in the event you are asked to provide it to the State at a future date due to an audit.
18. ***I am an active state employee, and my spouse is retired and over age 65. Must my spouse enroll in Medicare A and B plus the former employer's Medicare supplement plan if offered?***
A. No. At this time, we do not require your spouse to enroll in Medicare Part B while you are an active employee, and your spouse is not required to enroll in the supplement plan at this time. However, when you retire, your spouse will be required to enroll in Medicare Parts A and B and is required to enroll in the former employer's Medicare supplement plan, if still eligible at that time.
19. ***If my spouse and I are retired, and my spouse is eligible for Medicare due to age or disability, must my spouse enroll in Medicare Parts A and B?***
A. Yes, enrollment in Medicare Parts A and B is required when a state pensioner or their spouse is first eligible based on age or disability and enrollment must be maintained. If Medicare Supplement coverage is available through your spouse's former employer, he or she must enroll in that coverage. Your spouse may also enroll in the Medicare Supplement plan provided by the State through the Office of Pensions.
20. ***If my spouse is retired but is now a benefit eligible State of Delaware employee, must my spouse enroll in his or her former employer's retiree health plan?***
A. No.

21. ***If I cover my spouse on the State of Delaware's Special Medicfill Medicare supplement plan, am I required to complete the Spousal Coordination of Benefits Form?***
 - A. You must complete a Spousal Coordination of Benefits form during the 2012 Open Enrollment period only.
22. ***If my spouse is retired but does not receive any pension benefits, but the former employer offers health care coverage, does my spouse need to enroll in this coverage?***
 - A. No, the Policy states that the retired spouse does not need to enroll in the former employer's health care coverage if not collecting a pension benefit.
23. ***My spouse's former employer offers health care coverage and pays more than 50% of the premium, but the coverage does not include prescription coverage or the prescription coverage is separate from the health care (medical) coverage, and the company pays less than 50% of the prescription coverage premium. Does my spouse need to enroll in the prescription coverage?***
 - A. No, you do not need to enroll in the separate prescription coverage. You must indicate on the Spousal Coordination of Benefits Form that the health care coverage does not include prescription coverage.
24. ***If my spouse is required to enroll in a former employer's health care coverage now or during an annual open enrollment period that does not coincide with the State's annual enrollment period (for example in November for a plan year effective date of January 1st), can I drop my spouse from my State of Delaware coverage?***
 - A. Yes, this is allowable under Section 4.07(e)(1)(iii) of the Group Health Insurance Plan Eligibility and Enrollment Rules.
25. ***What happens now for spouses who previously declined or terminated health care benefits from their former employers, and the former employers now say that these retirees can only enroll in benefits if they are losing eligibility for their other coverage?***
 - A. For spouses who retired before October 1, 2011 and declined or terminated enrollment in their former employer's health benefits before October 1, 2011: If their former employer will not permit them to enroll now, or at their next annual enrollment period, unless they lose eligibility for the State of Delaware's health care coverage, no action is needed and current coverage through the State Group Health Program will not be sanctioned. The new Policy does not mean that these spouses are no longer eligible for coverage or that they will be terminated under the State Group Health Program. Spouses should obtain verification from the former employer that they cannot enroll without loss of eligibility, and they should keep this verification on file. The employee or retiree providing coverage for the spouse through the State Group Health Program will continue to be required to complete a Spousal Coordination of Benefits form each year during open enrollment and must indicate on the form that the spouse's former employer does not permit enrollment unless there is a loss of eligibility.
Spouses who retired after October 1, 2011 are required to enroll in their employers' retirement coverage when they are eligible, provided the employer pays at least 50% of the premium.

26. *I am a survivor of a State of Delaware employee/retiree. If I also retired from another employer, am I now required to enroll in that employer's health care coverage?*
- A. As a survivor, you are the principal holder of the health care coverage through the State of Delaware, and you are not required to enroll in other retiree coverage, if available. If you are currently remarried or remarry at a later date and cover a spouse, your spouse will be subject to all provisions of the Spousal Coordination of Benefits Policy, including the current change that includes spouses who are retired from another employer.